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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Karce International Holdings Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED****泰盛實業集團有限公司****(incorporated in Bermuda with limited liability)***(Stock Code: 1159)**

**PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES;
PROPOSED RE-ELECTION OF DIRECTORS;
AMENDMENTS TO THE BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of Karce International Holdings Company Limited to be held at The Empire Room 1, Empire Hotel Wan Chai, 33 Hennessy Road, Wan Chai, Hong Kong, on Friday, 10 June 2011 at 11:00 a.m. at which the above proposals will be considered is set out on pages 23 to 35 of this circular.

Whether or not you are able to attend the Annual General Meeting, please complete and return the relevant form of proxy as instructed as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting to the branch share registrar of the Company, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting and at any adjournment thereof if you so wish.

* For identification purposes only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the board of Directors	
A. Introduction	3
B. Proposed general mandates to repurchase and issue Shares	4
C. Explanatory statement	4
D. Proposed re-election of Directors	5
E. Amendments to the Bye-laws	8
F. General information	9
G. Voting by poll	9
H. Recommendations	10
I. Responsibility statement	10
J. General	10
Appendix I – Explanatory Statement	11
Appendix II – Proposed amendments to the Bye-laws	15
Notice of Annual General Meeting	23

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“Annual General Meeting”	the annual general meeting of the Company for the year ended 31 December 2010 to be held on 10 June 2011
“Annual Report”	annual report of the Company in respect of the year ended 31 December 2010
“associates”	having the meaning as ascribed in the Listing Rules
“Bye-laws”	the bye-laws of the Company
“Company”	Karce International Holdings Company Limited, a company incorporated in Bermuda with limited liability and its Shares are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	27 April 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to exercise all the powers of the Company to repurchase Shares in the manner as set out in the notice of the Annual General Meeting and in this circular

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of issued Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with the Shares in the manner as set out in the notice of the Annual General Meeting and in this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED

泰盛實業集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1159)

Executive Directors:

Mr. Sun Ying Chung

(Chairman and Managing Director)

Mr. Chan Sung Wai

Mr. Wong King Lam, Joseph

Non-executive Directors:

Mr. Lee Kwok Leung

Mr. Yang Yiu Chong, Ronald Jeffrey

Independent non-executive Directors:

Mr. Lum Pak Sum

Mr. Law Chun Choi

Mr. Mak Ka Wing, Patrick

Principal place of business in

Hong Kong:

Suite 3404, 34th Floor

Bank of America Tower

12 Harcourt Road, Central

Hong Kong

29 April 2011

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES;
PROPOSED RE-ELECTION OF DIRECTORS;
AMENDMENTS TO THE BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for the proposed (i) granting of the Share Issue Mandate, the Repurchase Mandate and the extension of the Share Issue Mandate and (ii) re-election of the Directors who are due to retire. This circular further provide the Shareholders with information in respect of the special resolution to be proposed in the Annual General Meeting to approve the proposed amendment to the Bye-laws. This circular contains the explanatory statement in compliance with the Listing Rules and to give all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions at the Annual General Meeting.

* For identification purposes only

LETTER FROM THE BOARD

B. PROPOSED GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted the Repurchase Mandate to exercise all powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the resolution approving the Repurchase Mandate.

An ordinary resolution will also be proposed at the Annual General Meeting to grant the Directors the Share Issue Mandate to allot, issue and deal with new Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the resolution approving the Share Issue Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 702,356,000 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Share Issue Mandate, the maximum number of Shares which may be issued pursuant to the Share Issue Mandate on the date of passing the resolution approving the Share Issue Mandate will be 140,471,200 Shares.

If the Repurchase Mandate and the Share Issue Mandate to be granted are approved at the Annual General Meeting, an ordinary resolution will be proposed at the Annual General Meeting to authorise that any Shares repurchased under the Repurchase Mandate will be added to the total number of new Shares which may be allotted and issued under the Share Issue Mandate.

The Repurchase Mandate, the Share Issue Mandate and the extension of the Share Issue Mandate will, if granted, remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws to be held; or (iii) the date on which the authority given to the Directors by the resolution concerned is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

C. EXPLANATORY STATEMENT

An explanatory statement as required by the Listing Rules to provide all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix to this circular. The information in the explanatory statement is provided to you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

LETTER FROM THE BOARD

D. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Bye-law 87(1) and 87(2) of the bye-laws of the Company, Mr. Sun Ying Chung, Mr. Chan Sung Wai and Mr. Yang Yiu Chong, Ronald Jeffrey will retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

Set out below are the biographical details of Mr. Sun Ying Chung, Mr. Chan Sung Wai and Mr. Yang Yiu Chong, Ronald Jeffrey.

(A) Mr. Sun Ying Chung (“Mr. Sun”), an Executive Director

Mr. Sun Ying Chung, aged 71, has extensive experience in the investment, construction and property development in the major cities of the PRC. Mr. Sun has been the Chairman and Managing Director of the Company since April 2009.

Save as disclosed above, Mr. Sun had not held any other positions with any members of the Company and had not held any other directorships in any listed public companies in the last three years and does not have any other major appointment or professional qualifications.

Save as disclosed above, Mr. Sun does not have any relationships with any directors, senior management or substantial shareholders or controlling shareholders of the Company.

As the Latest Practicable Date, Mr. Sun is interested in 23,000,000 Shares, approximately 3.27% of the issued share capital of the Company, within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Sun. He is not appointed for a specific term except that he is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws of the Company.

Save as disclosed above, there is no information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the shareholders of the Company in relation to the re-election of Mr. Sun.

LETTER FROM THE BOARD

(B) Mr. Chan Sung Wai (“Mr. Chan”), an Executive Director

Mr. Chan Sung Wai, aged 62, has been an executive Director of the Company since April 2009. Mr. Chan has extensive experience in trading, real property and shipping industries. He also has extensive experience in financial and media business. He has been working for a number of years on the major media companies in Hong Kong, and responsible for covering, editing and writing commentaries. Mr. Chan has also been a chief editor of the petroleum magazine and has comprehensive knowledge on the media industry in the PRC. Mr. Chan was an executive director of Grand Field Group Holdings Limited (stock code: 115) for a period from November 2007 to June 2008. Currently, he is an executive director of Xian Yuan Titanium Resources Holdings Limited (stock code: 353) and Asia Resources Holdings Limited (stock code: 899). Both companies are listed on the main board of the Stock Exchange.

As at the Latest Practicable Date, Mr. Chan is also director of the subsidiaries of the Company, namely Champion Keypad Manufacturing Limited, Gold Concept Limited, Great Perfect Investments Limited, Hong Shing Industrial Limited, Long Trinity Limited, Max Dynasty Limited, Million well Cretation Limited, On Shing Holdings Company Limited and Redditch Enterprises Limited.

Save as disclosed above, Mr. Chan had not held any other positions with any members of the Company and had not held any other directorships in any listed public companies in the last three years and does not have any other major appointment or professional qualifications.

Mr. Chan is an employee of Mr. Chim Pui Chung’s office of member of Legislative Council, and Mr. Chim Pui Chung is the beneficial owner of a substantial shareholder of the Company, namely Golden Mount Limited, holding 198,944,000 Shares, approximately 28.33% of the Company’s issued Shares as at the Latest Practicable Date.

Save as disclosed above, Mr. Chan does not have any relationships with any directors, senior management or substantial shareholders or controlling shareholders of the Company.

As the Latest Practicable Date, Mr. Chan does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

LETTER FROM THE BOARD

There is no service contract between the Company and Mr. Chan. He is not appointed for a specific term except that he is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws of the Company. Mr. Chan is not entitled to an remuneration, except for a bonus for each financial year which is at the Board's discretion and determined by the Board with reference to the Company's results and performance for the financial year concerned.

Save as disclosed above, there is no information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the shareholders of the Company in relation to the re-election of Mr. Chan.

(C) Mr. Yang Yiu Chong, Ronald Jeffrey (“Mr. Yang”), a Non-Executive Director

Mr. Yang Yiu Chong, Ronald Jeffrey, aged 44, has been a non-executive Director of the Company since 2000. He is also an executive director of Sing Tao News Corporation Limited (stock code: 1105), a listed company in Hong Kong. He had worked in the corporate finance field with an international bank for four years and held a senior position with a publicly listed printing company. Mr. Yang holds a double bachelors' degree in accounting and finance from Boston University, the United States of America.

Save as disclosed above, Mr. Yang had not held any other positions with any members of the Company and had not held any other directorships in any listed public companies in the last three years and does not have any other major appointment or professional qualifications.

Save as disclosed above, Mr. Yang does not have any relationships with any directors, senior management or substantial shareholders or controlling shareholders of the Company.

As the Latest Practicable Date, Mr. Yang does not have any interests in the securities of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Yang. He is not appointed for a specific term except that he is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws of the Company. Mr. Yang is entitled to an annual director's fee of HK\$120,000 which is determined by the Board with reference to his duties and responsibilities and the prevailing market conditions.

Save as disclosed above, there is no information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the shareholders of the Company in relation to the re-election of Mr. Yang.

LETTER FROM THE BOARD

E. AMENDMENTS TO THE BYE-LAWS

The Stock Exchange has amended the Listing Rules relating to, among other things, the Bye-laws or equivalent constitutional documents of listed issuers. The amendments to the Listing Rules have come into effect on 1 January 2009. Accordingly, the Directors propose to seek the approval of the Shareholders for the amendments to the Bye-laws, so as to bring the constitution of the Company in line with current amendments made to the Listing Rules.

The Directors propose to seek the approval of the Shareholders by way of a special resolution at the annual general meeting. Details of the amendments to the Bye-laws are set out in appendix II to this circular.

The effects of the proposed amendments to the Bye-laws are summarised as follows:

1. an annual general meeting shall be called by notice in writing of not less than 21 clear days and not less than 20 clear business days, any special general meeting at which the passing of a special resolution is to be considered shall be called by notice in writing of not less than 21 clear days and not less than 10 clear business days. All other special general meeting may be called by notice in writing of not less than 14 clear days and not less than 10 clear business days but if permitted by the rules of the Stock Exchange, a general meeting may be called by shorter notice if it is so agreed by the Shareholders in accordance with the Bye-laws;
2. at any general meeting, a resolution put to the vote of the meeting shall be decided by poll;
3. apart from the giving and delivery of documents by the Company to you by post, any corporate communication given or issued by the Company to you may also be by electronic transmission or communication, and such corporate communication may be served or delivered by the Company to you by transmitting the same to any telex or facsimile transmission number or electronic number or address of website supplied by you to the Company for the giving of notice to you or by placing the same on the Company's website and giving you a notice stating that such corporate communication is available there and such notice may be given to you by any of the aforementioned means other than by posting it on website;
4. to the extent permitted by and subject to due compliance with all applicable laws in Bermuda, the use of share premium be approved by ordinary resolution instead of special resolution;

LETTER FROM THE BOARD

5. the inspection of register of members of the Company by the public without charge or payment;
6. notice of a meeting of the board of directors shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or by telephone or in such other manner as the Board may from time to time determine whenever he shall be required so to do by any Director; and
7. to the extent permitted by and subject to due compliance with all applicable statutes, rules and regulations, the Company may send to the person in any manner not prohibited by the applicable laws summarized financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations. The sending of such documents shall be deemed satisfied where the Company publishes copies of the documents on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

F. GENERAL INFORMATION

The notice for the Annual General Meeting is set out on pages 23 to 36 of this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the branch share registrar of the Company, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting. The return of the proxy form will not preclude you from attending and voting in person if you so wish.

G. VOTING BY POLL

Under Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the ordinary resolutions proposed at the Annual General Meeting will also be taken by poll. A poll results announcement will be made by the Company after the Annual General Meeting in accordance with Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

H. RECOMMENDATIONS

The Directors consider that the granting of the general mandates and the re-election of Directors and the amendments to the Bye-laws, are in the interest of the Company. The Directors therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.

I. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

J. GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions to be proposed at the Annual General Meeting.

Yours faithfully,

By order of the board of Directors

Karce International Holdings Company Limited

Sun Ying Chung

Chairman

This Appendix serves as an explanatory statement given to all the Shareholders, as required by the Listing Rules, to provide requisite information of the Repurchase Mandate.

1. LISTING RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares subject to certain restrictions, the more important of which are summarised below:

(a) Share capital

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the relevant resolutions granting the Repurchase Mandate. The Company's authority is restricted to purchase in accordance with the Listing Rules. As at the Latest Practicable Date, there were in issue an aggregate of 702,356,000 Shares. Exercise in full of the Repurchase Mandate, on the basis that no further Shares would be issued or repurchased prior to the date of the Annual General Meeting, would accordingly result in up to 70,235,600 Shares being repurchased by the Company. The Shares repurchased by the Company shall, subject to applicable law, be automatically cancelled upon such repurchase.

(b) Reasons for repurchase

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company the flexibility to make such repurchase when appropriate and is beneficial to the Company. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share. As compared with the financial position of the Company as at 31 December 2010 (being the date of its latest audited accounts), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. In the circumstances, the Directors do not propose to exercise the Repurchase Mandate to such an extent that would have a material adverse impact on the working capital or gearing ratio of the Company.

(c) Funding of repurchases

Repurchase of the Shares will be funded out of funds legally available for such purpose in accordance with the Bye-laws of the Company and the applicable laws of Bermuda.

(d) Directors, their associates and connected persons

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

At the Latest Practicable Date, no connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Repurchase Mandate is granted.

(e) Undertaking of the Directors

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate in the proposed resolution in accordance with the Listing Rules and the applicable laws of Bermuda.

(f) Effect of the Takeovers Code

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 26 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares in issue:

Name of Shareholder	Number of Shares held	Approximate percentage of the shareholding as at the Latest Practicable Date <i>(note 1)</i>	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Golden Mount Limited ("Golden Mount") <i>(note 2)</i>	198,944,000 (L)	28.33%	31.47%
Chim Pui Chung <i>(note 2)</i>	198,944,000 (L)	28.33%	31.47%

Notes:

(L) All the Shares are long positions.

- The percentages are calculated based on the total number of issued shares of the Company of 702,356,000 Shares as at the Latest Practicable Date.
- The entire equity interests of Golden Mount is wholly and beneficially owned by Mr. Chim Pui Chung. Mr. Chim is deemed to be interested in the 198,944,000 Shares held by Golden Mount by virtue of section 316 of the Securities and Futures Ordinance.

In the event that the Directors shall exercise in full the Repurchase Mandate and assuming that no Shares are issued between the Latest Practicable Date and the date of repurchase, Golden Mount or any party acting in concert with it becomes obliged to make a mandatory offer under Rule 26 of the Takeovers Code, but would not reduce the number of shares held by the public to less than the minimum public float. However, the Directors have no present intention to exercise the Repurchase Mandate to an extent that will result in Golden Mount or any party acting in concert with it to make a general offer under the Takeovers Code.

2. SHARE PURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its shares (whether on the Stock Exchange or otherwise) in the six months proceeding the Latest Practicable Date.

3. SHARE PRICES

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
April	0.265	0.208
May	0.215	0.140
June	0.190	0.161
July	0.225	0.172
August	0.237	0.210
September	0.240	0.230
October		suspended
November		suspended
December		suspended
2011		
January		suspended
February		suspended
March		suspended
April (up to the Latest Practicable Date)		suspended

APPENDIX II PROPOSED AMENDMENTS TO THE BYE-LAWS

Details of the proposed amendments to the Bye-laws are set out as follows:

(A) Bye-law 1

By adding the following new definition in the existing Bye-law 1 after the definition of “Board” or “Directors”:

“business day” a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for any trading session for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Bye-laws be counted as a business day.”

(B) Bye-law 2

(i) By adding the following words before the semi-colon at the end of the existing Bye-law 2(e):

“, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;”

(ii) By deleting the existing Bye-law 2(h) in its entirety and substituting therefor the following:

“(h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given pursuant to Bye-law 59;”

APPENDIX II PROPOSED AMENDMENTS TO THE BYE-LAWS

(iii) By deleting the existing Bye-law 2(i) in its entirety and substituting therefor the following:

“(i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given pursuant to Bye-law 59;”

(iv) By deleting the full stop at the end of the existing Bye-law 2(j) and replacing it with a semi-colon and inserting the following new Bye-law 2(k):

“(k) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”

(C) Bye-law 6

By deleting Bye-law 6 in its entirety and substituting therefor the following:

“The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its issued share capital or, save for the use of share premium as expressly permitted by the Act, any share premium account or other undistributable reserve.”

(D) Bye-law 10

(i) By adding the word “and” after the semi-colon in the last line of the existing Bye-law 10(a).

(ii) By deleting the word and punctuation “; and” after the words “every such share held by him” in the last line of Bye-law 10(b) and inserting a full stop thereafter.

(iii) By deleting the existing Bye-law 10(c) in its entirety.

APPENDIX II PROPOSED AMENDMENTS TO THE BYE-LAWS

(E) Bye-law 44

By deleting the existing Bye-law 44 in its entirety and substituting therefor the following:

“The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by members of the public without charge at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”

(F) Bye-law 51

By inserting the words “or by any means in such manner as may be accepted by the Designated Stock Exchange” after the words “in accordance with the requirements of any Designated Stock Exchange” in the 3rd line of the existing Bye-law 51.

(G) Bye-law 59(1)

By deleting the existing Bye-law 59(1) in its entirety and substituting therefor the following:

“59. (1) An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.”

APPENDIX II PROPOSED AMENDMENTS TO THE BYE-LAWS

(H) Bye-law 66

By deleting the existing Bye-law 66 in its entirety and substituting therefor the following:

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every Member present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll.”

(I) Bye-law 67

By deleting the existing Bye-law 67 in its entirety and substituting therefor the words “intentionally deleted”.

(J) Bye-law 69

By deleting the existing Bye-law 69 in its entirety and substituting therefor the words “intentionally deleted”.

(K) Bye-law 70

By deleting the existing Bye-law 70 in its entirety and substituting therefor the words “intentionally deleted”.

(L) Bye-law 73

By deleting the words and punctuation “whether on a show of hands or on a poll,” after the words and punctuation “In the case of any equality of votes,” in the 1st line of the existing Bye-law 73.

APPENDIX II PROPOSED AMENDMENTS TO THE BYE-LAWS

(M) Bye-law 75(1)

By deleting the words and punctuation “whether on a show of hands or on a poll,” after the words and punctuation “persons incapable of managing their own affairs may vote,” in the 3rd line of the existing Bye-law 75(1); by deleting the words “on a poll” after the words “curator bonis or other person may vote” in the 6th line of the existing Bye-law 75(1); and by deleting the words “or poll” after the words “not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting” in the last line of the existing Bye-law 75(1).

(N) Bye-law 80

By deleting the words “or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll” after the words “the person named in the instrument proposes to vote” in the 7th line of the existing Bye-law 80; and by deleting the words “or on a poll demanded at a meeting or an adjourned meeting in cases” after the words “except at an adjourned meeting” in the 11th line of the existing Bye-law 80.

(O) Bye-law 81

By deleting the words “to demand or join in demanding a poll and” after the words “The instrument of proxy shall be deemed to confer authority” in the 4th line of the existing Bye-law 81.

(P) Bye-law 82

By deleting the words and punctuation “or the taking of the poll,” after the words and punctuation “the meeting or adjourned meeting,” in the 7th line of the existing Bye-law 82.

(Q) Bye-law 115

By deleting the existing Bye-law 115 in its entirety and substituting therefor the following:

“115. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or by telephone or in such other manner as the Board may from time to time determine whenever he shall be required so to do by any Director.”

APPENDIX II PROPOSED AMENDMENTS TO THE BYE-LAWS

(R) Bye-law 127

- (i) By deleting the words and punctuation “a president and vice president or chairman and deputy chairman,” in the 1st line of the existing Bye-law 127(1).
- (ii) By deleting the existing Bye-law 127(2) in its entirety and substituting therefor the words “intentionally deleted”.

(S) Bye-law 129

By deleting the existing Bye-law 129 in its entirety and substituting therefor the words “intentionally deleted”.

(T) Bye-law 153

- (i) By inserting the words “and Bye-law 153A” after the words “Subject to Section 88 of the Act” in the 1st line of the existing Bye-law 153.
- (ii) By adding the following new Bye-laws 153A and 153B after the existing Bye-law 153:

“153A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company’s annual financial statement and the directors’ report thereon.

153B. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153A, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents."

(U) Bye-law 160

By deleting the existing Bye-law 160 in its entirety and substituting therefor the following:

"160. Any Notice or document (including any "corporate communication" within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above provided that such means is permitted by the rules of the Designated Stock Exchange. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders."

APPENDIX II PROPOSED AMENDMENTS TO THE BYE-LAWS

(V) Bye-law 161

- (i) By deleting the word “and” at the end of existing Bye-law 161(a).
- (ii) By deleting the full stop at the end of existing Bye-law 161(b) and replacing it with a semi-colon and inserting the word “and” after the semi-colon; and by re-numbering the existing Bye-law 161(b) as Bye-law 161(c).
- (iii) By inserting the following new Bye-law 161(b) after the existing Bye-law 161(a):

“(b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company’s website or the website of the Designated Stock Exchange is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;”
- (iv) By inserting the following new Bye-law 161(d) after the existing Bye-law 161(c):

“(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.”

NOTICE OF ANNUAL GENERAL MEETING



KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED

泰盛實業集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1159)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Karce International Holdings Company Limited (the “**Company**”) for the financial year ended 31 December 2010 will be held at The Empire Room 1, Empire Hotel Wan Chai, 33 Hennessy Road, Wan Chai, Hong Kong, on Friday, 10 June 2011 at 11:00 a.m. to transact the following businesses:

ORDINARY RESOLUTIONS

1. to receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2010;
2.
 - A. to re-elect Mr. Sun Ying Chung as director of the Company (“**Director**”);
 - B. to re-elect Mr. Chan Sung Wai as director;
 - C. to re-elect Mr. Yang Yiu Chong, Ronald Jeffrey as Director;
 - D. to authorise the board of Directors to fix the remunerations of the Directors;
3. to re-appoint Deloitte Touche Tohmatsu as the auditors of the Company and authorise the board of Directors to fix their remuneration;

* *For identification purposes only*

NOTICE OF ANNUAL GENERAL MEETING

4. to consider as special businesses and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

A. **“THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers, employees of the Company and/or any of its subsidiaries or other eligible participants of shares or rights to acquire shares in the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purposes of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company.”

B. “THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable rules, laws and requirements, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(b) the aggregate nominal amount of the shares of the Company which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

(c) for the purposes of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

C. “**THAT** conditional upon Resolutions 4A and 4B set out above being passed, the authority of the directors of the Company pursuant to resolution 4A be and is hereby approved to extend to cover such amount representing the aggregate nominal amount of the shares in the capital of the Company repurchased pursuant to the authority granted pursuant to resolution 4B.”.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

5. **“THAT** the bye-laws (the “Bye-laws”) of the Company be and are hereby amended in the following manner:

(a) Bye-law 1

By adding the following new definition in the existing Bye-law 1 after the definition of “Board” or “Directors”:

““business day” a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for any trading session for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Bye-laws be counted as a business day.”

(b) Bye-law 2

- (i) By adding the following words before the semi-colon at the end of the existing Bye-law 2(e):

“, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;”

- (ii) By deleting the existing Bye-law 2(h) in its entirety and substituting therefor the following:

“(h) a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given pursuant to Bye-law 59;”

NOTICE OF ANNUAL GENERAL MEETING

(iii) By deleting the existing Bye-law 2(i) in its entirety and substituting therefor the following:

“(i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given pursuant to Bye-law 59;”

(iv) By deleting the full stop at the end of the existing Bye-law 2(j) and replacing it with a semi-colon and inserting the following new Bye-law 2(k):

“(k) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”

(c) Bye-law 6

By deleting Bye-law 6 in its entirety and substituting therefor the following:

“The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its issued share capital or, save for the use of share premium as expressly permitted by the Act, any share premium account or other undistributable reserve.”

NOTICE OF ANNUAL GENERAL MEETING

(d) Bye-law 10

- (i) By adding the word “and” after the semi-colon in the last line of the existing Bye-law 10(a).
- (ii) By deleting the word and punctuation “; and” after the words “every such share held by him” in the last line of Bye-law 10(b) and inserting a full stop thereafter.
- (iii) By deleting the existing Bye-law 10(c) in its entirety.

(e) Bye-law 44

By deleting the existing Bye-law 44 in its entirety and substituting therefor the following:

“The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by members of the public without charge at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”

(f) Bye-law 51

By inserting the words “or by any means in such manner as may be accepted by the Designated Stock Exchange” after the words “in accordance with the requirements of any Designated Stock Exchange” in the 3rd line of the existing Bye-law 51.

NOTICE OF ANNUAL GENERAL MEETING

(g) Bye-law 59(1)

By deleting the existing Bye-law 59(1) in its entirety and substituting therefor the following:

“59. (1) An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice if it is so agreed:

(a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.”

(h) Bye-law 66

By deleting the existing Bye-law 66 in its entirety and substituting therefor the following:

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every Member present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll.”

NOTICE OF ANNUAL GENERAL MEETING

(i) Bye-law 67

By deleting the existing Bye-law 67 in its entirety and substituting therefor the words “intentionally deleted”.

(j) Bye-law 69

By deleting the existing Bye-law 69 in its entirety and substituting therefor the words “intentionally deleted”.

(k) Bye-law 70

By deleting the existing Bye-law 70 in its entirety and substituting therefor the words “intentionally deleted”.

(l) Bye-law 73

By deleting the words and punctuation “whether on a show of hands or on a poll,” after the words and punctuation “In the case of any equality of votes,” in the 1st line of the existing Bye-law 73.

(m) Bye-law 75(1)

By deleting the words and punctuation “whether on a show of hands or on a poll,” after the words and punctuation “persons incapable of managing their own affairs may vote,” in the 3rd line of the existing Bye-law 75(1); by deleting the words “on a poll” after the words “curator bonis or other person may vote” in the 6th line of the existing Bye-law 75(1); and by deleting the words “or poll” after the words “not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting” in the last line of the existing Bye-law 75(1).

(n) Bye-law 80

By deleting the words “or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll” after the words “the person named in the instrument proposes to vote” in the 7th line of the existing Bye-law 80; and by deleting the words “or on a poll demanded at a meeting or an adjourned meeting in cases” after the words “except at an adjourned meeting” in the 11th line of the existing Bye-law 80.

NOTICE OF ANNUAL GENERAL MEETING

(o) Bye-law 81

By deleting the words “to demand or join in demanding a poll and” after the words “The instrument of proxy shall be deemed to confer authority” in the 4th line of the existing Bye-law 81.

(p) Bye-law 82

By deleting the words and punctuation “or the taking of the poll,” after the words and punctuation “the meeting or adjourned meeting,” in the 7th line of the existing Bye-law 82.

(q) Bye-law 115

By deleting the existing Bye-law 115 in its entirety and substituting therefor the following:

“115. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or by telephone or in such other manner as the Board may from time to time determine whenever he shall be required so to do by any Director.”

(r) Bye-law 127

(i) By deleting the words and punctuation “a president and vice president or chairman and deputy chairman,” in the 1st line of the existing Bye-law 127(1).

(ii) By deleting the existing Bye-law 127(2) in its entirety and substituting therefor the words “intentionally deleted”.

(s) Bye-law 129

By deleting the existing Bye-law 129 in its entirety and substituting therefor the words “intentionally deleted”.

NOTICE OF ANNUAL GENERAL MEETING

(t) Bye-law 153

- (i) By inserting the words “and Bye-law 153A” after the words “Subject to Section 88 of the Act” in the 1st line of the existing Bye-law 153.
- (ii) By adding the following new Bye-laws 153A and 153B after the existing Bye-law 153:

“153A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company’s annual financial statement and the directors’ report thereon.

153B. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153A, on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.”

NOTICE OF ANNUAL GENERAL MEETING

(u) Bye-law 160

By deleting the existing Bye-law 160 in its entirety and substituting therefor the following:

“160. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the Member by any of the means set out above provided that such means is permitted by the rules of the Designated Stock Exchange. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.”

NOTICE OF ANNUAL GENERAL MEETING

(v) **Bye-law 161**

- (i) By deleting the word “and” at the end of existing Bye-law 161(a).
- (ii) By deleting the full stop at the end of existing Bye-law 161(b) and replacing it with a semi-colon and inserting the word “and” after the semi-colon; and by re-numbering the existing Bye-law 161(b) as Bye-law 161(c).
- (iii) By inserting the following new Bye-law 161(b) after the existing Bye-law 161(a):
- “(b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company’s website or the website of the Designated Stock Exchange is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;”
- (iv) By inserting the following new Bye-law 161(d) after the existing Bye-law 161(c):
- “(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.”

By order of the board of Directors
Karce International Holdings Company Limited
Cheng Mei Chau
Company Secretary

Hong Kong, 29 April 2011

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorised.
3. In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.
4. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the branch share registrar of the Company at Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or any adjourned meeting.
5. Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.